

**Opening Statement of the Honorable Fred Upton**  
**Subcommittees on Environment the Economy & Energy and Power**  
**Hearing on "The Nuclear Regulatory Commission: Policy and Governance Challenges"**  
**February 28, 2013**

*(As Prepared for Delivery)*

Oversight of federal agencies is an important responsibility for this committee, especially for the Nuclear Regulatory Commission given the broad scope of changes within the nuclear industry. There are two particular issues on my mind today: The NRC's Reactor Oversight Process and the impact of budget sequestration on the NRC.

In 2000, the NRC's Reactor Oversight Process was implemented under Chairman Richard Meserve's leadership, a chairman well respected on both sides of the aisle. The development of the process was very rigorous with the goal of creating an objective, measurable process that would provide an accurate representation of a plant's performance while minimizing subjectivity.

Last year, the Palisades plant in my district spent time in "Column 3," a designation for troubled plants which requires significantly increased inspections. This raised considerable concerns among folks in Southwest Michigan - concerns that I shared. Entergy needed to do better, and they outlined their comprehensive and methodical plans for returning Palisades to the high level of safety that it should have.

This past November, the NRC returned Palisades to Column 1, the best column, which normally would signify the NRC's conclusion that the plant is operating safely and should give the local communities confidence that the plant is back on the straight and narrow. However, when the NRC made the determination to move Palisades back into Column 1, the agency did so begrudgingly and qualified the rating, indicating that it would continue to apply increased oversight beyond the normal inspections for Column 1. This sends a mixed message to the community - does Palisades belong in Column 1 or not. I would like some clarification on that.

In closing, I'd like to echo the disappointment expressed by Chairman Shimkus regarding the NRC's response to our January 15th letter. We asked very detailed questions, yet the response came off as dismissive, even contradicting the Japanese Diet report's own conclusion that they had not fully considered the defense-in-depth philosophy as Chairman Shimkus mentioned. You wrote that you would give our views "careful consideration" but the answers provided to our questions fall short. These are serious questions that deserve thoughtful and thorough deliberation.

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